



FINANCIAL REPORT

30th June 2020

Dear shareholder,

The financial report of the Einhell Group as at 30 June 2020 meets the requirements under the Securities Trading Act (WpHG) for preparing interim reports. It includes abbreviated Group interim statements, a condensed Group management report and a statement of responsibility by the legal representatives. The financial statements are consistent with the International Financial Reporting Standards (IFRS) and their interpretations, as published by the International Accounting Standards Board (IASB) and applicable in the European Union.

There may be minor deviations in this report and in other reports due to rounding of totals and the calculation of percentage figures.

Key data for January to June 2020

Revenue		
Q2 2020	341.563	+5,8%
Q2 2019	322.973	
Profit before income taxes		
Q2 2020	23.294	+14,7%
Q2 2019	20.310	
EBIT		
Q2 2020	24.550	+12,7%
Q2 2019	21.781	
Equity ratio (*)		
Q2 2020	55,4%	+6,9%
Q2 2019	51,8%	
Profit per share		
Q2 2020	4,3	+7,5%
Q2 2019	4,0	
Net debt		
Q2 2020	9.095	-77,7%
Q2 2019	40.705	
Staff		
Q2 2020	1.598	+2,4%
Q2 2019	1.561	

*) adjusted

Condensed Group Management Report of Einhell Germany AG

Overview of January - June 2020

In the first half of 2020, the Einhell Group generated revenue amounting to EUR 341.6 million. This figure clearly exceeds the revenue level generated in the first half of 2019.

Profit before income taxes amounts to EUR 23.3 million. This corresponds to a return on revenue of about 6.8% (previous year: 6.3%), which is higher than Einhell's long-term average profit margin in the range of 5% to 6%. The Board of Directors considers this sustainable profit margin of 5% to 6% to be an excellent achievement compared to the rest of the sector, and sets this level as the long-term target average it wants to achieve along with further growth in revenue.

General economic conditions

D/A/CH region

Sentiment in Germany's board rooms has brightened further. The Ifo business climate index increased from 79.7 to 86.2 points in June. This is the strongest increase ever measured. The current situation is also assessed as slightly better by the companies.

The inflation rate in Germany picked up again in June 2020, starting from a relatively low level. According to the Federal Statistical Office, consumer prices were up 0.9% compared to the prior-year level.

Due to the coronavirus pandemic, the gross domestic product in Germany fell more sharply than at any time since World War II. Germany's economic performance dropped by 10.1% in the months from April to June. Compared to the previous year, the German economy contracted by 11.7%.

Incoming orders for German industry increased more dynamically than expected in June 2020. Compared to the previous month, the order intake increased by 27.9% according to the Federal Statistical Office.

In June 2020, Germany exported goods worth EUR 96.1 billion and imported goods in the amount of EUR 80.5 billion. According to the Federal Statistical Office, German exports were thus 9.4% and imports 10.0% lower in June 2020 than in the prior-year period.

The foreign trade balance, i.e. the balance of exports to imports, adjusted for calendar and seasonal effects closed with a surplus of EUR 14.5 billion in June 2020.

The coronavirus crisis seems to be gradually loosening its chokehold of the German labour market. While the number of unemployed climbed again to 2.853 million in June 2020, which is untypical for the time of year, this still represented a moderate increase compared to May, with 40.000 more people in work. All in all, 638,000 people went out of employment between April and June due to the coronavirus crisis, according to the German Federal Employment Agency.

Following a successful year 2019 with total gross revenue of EUR 19.46 billion, the construction and DIY sector in Germany expects a slight increase in revenue between 1.5% and 1.8% in 2020.

Western and Eastern Europe

In the second quarter of 2020, the gross domestic product (GDP) in the eurozone suffered the sharpest slump in 25 years due to the coronavirus crisis. According to the European statistical authority Eurostat, the GDP fell by 12.1% between April and June compared to the previous quarter.

GDP Western Europe in %	2020
Spain	-10.9
France	-10.6
Italy	-11.2

GDP Eastern Europe in %	2020
Croatia	-10.8
Poland	-4.6
Romania	-6.0
Czech Republic	-7.8

In June, industrial production in the eurozone recovered further from the slump caused by the coronavirus outbreak in spring 2020. Production in the industrial companies of the monetary union increased by 9.1% month-on-month in June 2020.

As expected, the unemployment rate in the eurozone increased in June 2020. It now stands at 7.8%. The unemployment rate for the entire European Union stands at 7.1% in June.

The inflation rate in the eurozone was slightly up again, despite the sustained impact of the coronavirus pandemic. Consumer prices increased by 0.3% in June 2020 compared to the prior-year period.

The Harmonised Index of Consumer Prices (HICP) for Germany, which is calculated for EU purposes, was 0.8% higher in June than in the same month last year and 0.7% higher than in May 2020.

This means that the threshold of two percent, which is significant in terms of the monetary policy of the European Central Bank (ECB), has been missed again.

Overseas

Despite the relatively successful containment of infection figures compared to other countries owed to the introduction of timely countermeasures, Australia's GDP already declined in the first quarter of 2020, according to the analysts of Nord LB. The decline of 0.3% compared to the previous quarter represents the first contraction since 2011. Because of an inevitable slump in the second quarter, Australia falls into recession for the first time since 1991, according to the analysts. Although the available economic data indicates that the low point has already been reached in April, apparently the tentative recovery thereafter only accounts for some of the previously suffered declines.

The South American countries, in which the Einhell Group is active, and Australia posted the following growth rates to date in 2020:

GDP in %	2020
Argentina	-5.7
Australia	-6.7
Colombia	-2.4
Chile	-4.5

Performance report

Einhell Group revenue

From January to June 2020, the Einhell Group generated revenue of EUR 341.6 million (previous year: EUR 323.0 million). This represents a substantial increase year-on-year.

Until the first lockdowns in mid-March, the Einhell Group generated excellent sales revenues. In the month of April, revenue was approx. EUR 10.0 million below plan due to the coronavirus. However, this gap in revenue was already recovered by catch-up effects in May and June. The share of e-commerce has risen further as stores were temporarily closed and curfews were imposed. An increase in DIY activities led to an increase in demand for DIY products. Einhell's excellent listings and broad presence in the market enabled the company to benefit very much from this trend.

In the **D/A/CH region** (Germany, Austria, Switzerland), revenue increased significantly to EUR 155.7 million (previous year: EUR 137.7 million). The region's share in total consolidated revenue amounts to 45.6% (previous year: 42.6%).

The significant increase in revenue is driven by a strong presence in the DIY stores, at the point of sale and in the e-commerce channels. This is where Einhell's high investments in listings and e-commerce in the past few years now pay off. Furthermore, Einhell's distribution is strong and broad based. In the meantime, Einhell is listed in all relevant DIY stores and has continuously been able to deliver its products even during the coronavirus crisis. The coronavirus crisis has led to a DIY boom in Germany, which shows in rising sales revenues. However, even January and February 2020 were very strong months revenue-wise. In terms of revenue, the second quarter of 2020 was the strongest quarter in Einhell's history.

In **Western Europe**, revenue of EUR 66.6 million (previous year: EUR 66.5 million) remained at the previous year's level. The largest sales markets in the region include France, Italy and the UK.

The subsidiaries in the Western Europe region have performed well so far, with revenues at the previous year's level. Our distribution company in Italy managed to increase both revenue and earnings compared to the previous year. The UK, France and Spain, which were heavily affected by the coronavirus crisis, are slightly behind in terms of revenue and earnings.

Revenue in **Eastern Europe** increased slightly by EUR 0.8 million to EUR 34.2 million (previous year: EUR 33.4 million).

The Eastern Europe region shows a mixed picture. Many of the distribution companies managed to generate healthy revenues and earnings so far. On balance, the region performed slightly better than in the prior-year period in terms of both revenue and earnings. Einhell Poland and Einhell Ukraine fell slightly short of their revenue and earnings budgets.

The **Overseas** region saw substantial revenue growth from EUR 59.1 million to EUR 66.9 million. Revenues in this region are mainly generated by Ozito Industries.

The subsidiaries in the **Overseas** region showed a highly disparate development in financial year 2020. Ozito Industries Pty Ltd was able to significantly increase both revenue and earnings compared to the previous year. Einhell Chile, the largest subsidiary in South America, has also performed very well. Revenue and earnings figures benefit from the very high penetration rate in this market. In Colombia, however, revenue and earnings are still on a decline in financial year 2020, which keeps the company in the red.

In the **Other Countries** including Asia, revenue was significantly below the prior-year level at EUR 18.2 million (previous year: EUR 26.3 million).

The Other countries region, and here the Asian subsidiaries in particular, did not managed to increase their revenue figures compared to the prior-year period. This is mainly due to a major customer, who had previously purchased directly in Hong Kong and is now again processing its orders directly via the local Group companies. Moreover, direct customers from South and Central America have reduced their orders due to the coronavirus crisis.

Earnings development

From January to June 2020, the Einhell Group generated profit before income taxes of EUR 23.3 million (previous year: EUR 20.3 million). The pre-tax margin is 6.8% (previous year: 6.3%).

The gross profit margin is slightly higher due to the higher proportion of Power X-Change products sold.

This takes earnings above the long-term average of 5-6%.

Consolidated net profit after minority interest amounts to EUR 16.4 million in the period under review (previous year: EUR 15.1 million). Earnings per share amount to EUR 4.3 (previous year: EUR 4.0 per share).

Compared to the prior-year period, personnel expenses remained almost unchanged at EUR 39.7 million (previous year: EUR 39.3 million). The personnel expenses ratio stands at 11.6% (previous year: 12.2%).

Depreciation increased by EUR 0.7 million in financial year 2020, from EUR 4.0 million to EUR 4.7 million.

Other expenses also increased significantly year-on-year from EUR 44.8 million to EUR 52.2 million. The increase was mainly due to higher revenues.

Moreover, impairment valuation allowances on trade receivables, which were formed as a precautionary measure, led to higher expenses. These were formed as we believe the coronavirus pandemic will increase the risk of bad debts.

The financial result of EUR -1.3 million (previous year: EUR -1.5 million) is slightly below the prior-year level. This includes financial income amounting to EUR 3.0 million and financial costs in the amount of EUR 4.3 million. Financial costs include high refinancing costs in some countries with high interest rates and expenses for currency hedging.

Personnel and HR services

On 30 June 2020, the Einhell Group had 1,598 employees worldwide (previous year: 1,561).

The Board of Directors would like to take this opportunity to thank all employees for their personal commitment and excellent work.

Financial performance and net assets

The key line items in the statement of financial position as at 30 June 2020 and 30 June 2019 are as follows:

	06/2020	06/2019 ⁽¹⁾
	in EUR million	in EUR million
Non-current assets incl. deferred tax assets	81.1	67.8
Inventories	128.6	153.7
Receivables and other assets	167.2	155.0
Cash and cash equivalents	22.0	20.7
Equity	220.9	205.8
Liabilities to banks	31.1	61.4

Investments

In the period under review, the Einhell Group made investments amounting to EUR 5.1 million (previous year: EUR 6.5 million). The majority of this was spent on operating and office equipment and assets under construction.

Current assets

Goods inventories are down on the previous year to EUR 128.6 million (previous year: EUR 153.7 million). The excellent sales performance in the last weeks led to low inventory levels at the Einhell Group as at 30 June 2020.

Trade receivables are stated net of allowances for bad debts. Mainly driven by the revenue increase, trade receivables climbed by EUR 10.3 million year-on-year to EUR 143.1 million in the period under review (previous year: EUR 132.8 million). The coronavirus crisis could in principle result in an increased risk of default for trade receivables in the third and fourth quarters of 2020. For this reason, impairment valuation allowances corresponding to the expected default rate were formed as at 30 June 2020.

At EUR 24.1 million, other current assets were slightly above the previous year's level (previous year: EUR 22.2 million).

Cash and cash equivalents amount to EUR 22.0 million on the reporting date (previous year: EUR 20.7 million). Liabilities to banks decreased from EUR 61.4 million to EUR 31.1 million year-on-year due to the strong profit performance and the significant reduction of inventories.

Mainly driven by the dynamic sales in June 2020 and the resulting VAT payment charges, other non-current and current liabilities increased.

Group structure

In the period under review, Einhell Electro Machinery Technology Co., Ltd. was founded. Einhell Germany owns 100% of the shares in this company.

Investor Relations

On 29 April 2020, Einhell Germany AG participated in the Munich Capital Market Conference in order to talk to analysts and investors. At the conference, the Group presented its figures of 31 December 2019 and also gave an outlook on planned performance.

Financing

The financial requirements of the Einhell Group are driven in particular by the level of inventories and trade receivables. Stock turnover rates of inventories and the maturities of trade receivables play a major role here and have a significant impact on the financial requirements.

In 2018, Einhell Germany AG took out a long-term loan in the amount of EUR 25.0 million. The loan is granted in connection with an innovation subsidy programme provided by KfW (German government-owned development bank) and has a term of 10 years.

In the shorter term, the Group also has access to sufficient credit facilities to finance further revenue growth.

Note to the financial report

The financial report was subjected to neither a review pursuant to Section 317 of the German Commercial Code (HGB) nor an audit.

Corporate Governance Code

The current Declaration of the Board of Directors and the Supervisory Board of Einhell Germany AG on the German Corporate Governance Code pursuant to section 161 of the Stock Corporation Act (AktG) is permanently available on the Company's website at www.einhell.com.

Risk report

As part of its international operations, Einhell is exposed to a variety of risks that are inherent in all entrepreneurial activities.

The risk management process in the Einhell Group is split into two stages. The first stage is the decentralised recognition of risks in subsidiaries and the various departments of Einhell Germany AG by the risk officers appointed by the Board of Directors.

They are responsible for risk identification and evaluation. The critical aspect here for the Einhell Group is identification, since no risk planning can be undertaken for risks that have not yet been identified.

The internal control system comprises integrated process controls and internal control systems.

The domestic controlling, investment controlling, finance, Group accounting and legal departments constitute the internal management system of the Einhell Group.

The Einhell Group companies make a forecast in the relevant financial year to budget the following financial year. Based on differentiated revenue planning, the corresponding cost of goods sold and other costs are budgeted. These projected figures are collated for the Group into a budgetary statement of income.

The actual figures from the individual companies are processed on a monthly basis. As a result, a complete consolidated statement of income is devised that compares the budgeted and actual figures and allows for their analysis. The development of order intake, margins etc. is also reported for all companies on a monthly basis.

The comparison is discussed with the members of the Board of Directors and with the managers of the separate divisions and companies. The analysis of the

budgeted and actual figures permits relevant measures to be developed and implemented.

The internal monitoring system comprises measures that are integrated into the processes as well as measures that are independent of the processes.

In addition to automated IT process controls, manual controls also form an important part of integrated process measures which are, for example, also carried out by the internal audit department. The Supervisory Board, the Group auditors and other audit bodies are involved in carrying out process-independent controls within the Einhell Group.

The audit of the consolidated financial statements by the Group auditors in particular is the main process-independent control measure with respect to Group accounting processes.

The Einhell Group operates internationally and is thus exposed to market risks from changes to interest rates and exchange rates.

The Group uses derivative financial instruments to manage these risks. The guidelines used for managing the associated risks are implemented with the approval of the Board of Directors by a central treasury department working in close cooperation with the Group companies.

In conclusion, there are no risks that endanger the future of the Group as a going concern according to the Board of Directors' assessment.

Forecast

Performance in the D/A/CH region

Expected development in %	2019	2020
GDP Germany	0.6	-6.5

The German Council of Economic Experts expects the German gross domestic product (GDP) to shrink by 6.5% in 2020. In March, the council had still assumed that the gross domestic product would contract by 2.8% in the current year, and in the worst-case scenario by 5.4%.

The coronavirus crisis will also leave its mark on the labour market. Unemployment figures are expected to rise, especially in the third and fourth quarter.

Performance in the Western and Eastern Europe regions

The recession due to the coronavirus pandemic could turn out even more pronounced this year than originally expected, according to the EU Commission. The economic performance in the eurozone could slump by 8.7% in 2020, while the EU Commission expects a decline of 8.3% for the European Union overall.

The ECB forecasts a dramatic economic slump in the eurozone in 2020 as a result of the coronavirus crisis as well as an inflation rate of only 0.3% in the currency zone.

Performance in the Overseas region

The analysts expect Australia's gross domestic product to decline in 2020, while there is still a high degree of uncertainty.

The following economic growth rates are expected in Australia and the South American countries, in which the Einhell Group is active:

GDP in %	2019	2020
Argentina	-2.2	-5.7
Australia	1.8	-6.7
Colombia	3.3	-2.4
Chile	-1.1	-4.5

Outlook and strategy

The Board of Directors' assumptions and forecasts are based on the information currently available. The future business performance depends on a variety of factors such as general market developments and macroeconomic trends as well as the development in the crisis regions and the trends on the currency markets.

The **Power X-Change** devices represent an important growth and technology driver for Einhell. The company therefore has expanded its Power X-Change platform to over 170 devices now. In the long-term, the sales share of Power X-Change devices is to be increased to 40% to 50% of group sales. In view of the highly successful cooperation with BMW i Motorsport, management has decided to extend the contract. Einhell's involvement in Formula E is to be further intensified and selectively developed at an international level.

80 Power X-Change devices are now ready for the **US market**. The business partner in the USA has not yet made as much progress as had been expected. Nevertheless, Einhell still wants to enter the US market and continues to drive the corresponding activities in the States. In **Scandinavia**, the joint venture with our business partner Millarco is making great progress and has already acquired a key DIY chain as one of its customers. Negotiations with a potential business partner in **South Africa** were put on hold because of the coronavirus crisis. However, as the partner demonstrated a stable performance despite the crisis, talks concerning a potential investment have now been taken up again. In **Thailand**, Einhell held first talks with a promising partner from the DIY store sector. However, as their ideas regarding the purchase price model and the purchase price itself differed greatly, this cooperation was not pursued any further, while the search for a partner in South East Asia will be continued.

In summary, it can be concluded that the Einhell Group is strategically on track for success. As such, Einhell managed to attain market leadership in the field of battery-powered gardening tools in Germany and second place in the overall market of motorised gardening tools. In the Power Tools segment, Einhell ranks third after Bosch and Makita in both the overall market and for battery-powered devices.

The Einhell Group confirms its lifted forecast for 2020 and expects revenue of approx. EUR 620-630 million in financial year 2020. The operating margin before tax is expected to reach approx. 5.5-6.0%.

The Einhell Group has also set a medium-term revenue growth target of EUR 750 million, to be reached by financial year 2023/2024. The long-term objective of the Einhell Group is to reach the revenue mark of EUR 1.0 billion.

Landau a. d. Isar, 20 August 2020

Einhell Germany AG
The Board of Directors

Andreas Kroiss
Jan Teichert
Dr Markus Thannhuber
Dr Christoph Urban

Consolidated statement of financial position (IFRS) as at 30 June 2020 (abbreviated)

Assets	30.06.2020 EURk	30.06.2019 EURk (*)
NON-CURRENT ASSETS		
Intangible assets	17,461	16,554
Property, plant and equipment	50,780	39,970
Non-current financial assets	406	715
Other non-current assets	2,069	578
Deferred tax assets	10,410	10,001
	81,126	67,818
CURRENT ASSETS		
Inventories	128,551	153,671
Trade receivables	143,093	132,827
Other assets	24,098	22,204
Cash and cash equivalents	22,041	20,732
	317,783	329,434
	<u>398,909</u>	<u>397,252</u>

Equity and liabilities	30.06.2020 EURk	30.06.2019 EURk (*)
EQUITY		
Subscribed capital	9,662	9,662
Capital reserve	26,677	26,677
Retained earnings	200,784	180,326
Other reserves	-18,315	-12,623
Equity of shareholders of Einhell Germany AG	218,808	204,042
Non-controlling interest	2,072	1,805
	220,880	205,847
NON-CURRENT LIABILITIES		
Provisions for other risks	1,158	1,103
Liabilities from debt capital	21,113	25,039
Deferred tax liabilities	3,396	3,305
Employee benefits	4,262	3,406
Lease liabilities	9,927	5,882
Other liabilities	1,485	787
	41,341	39,522
CURRENT LIABILITIES		
Trade payables	50,495	46,247
Provisions for taxes	2,979	3,795
Provisions for other risks	30,285	24,856
Liabilities from debt capital	10,023	36,398
Employee benefits	12,936	11,826
Lease liabilities	2,635	3,999
Other liabilities	27,335	24,762
	136,688	151,883
	<u>398,909</u>	<u>397,252</u>

(*) The comparative information was adjusted due to corrections.

Consolidated income statement (IFRS) for the period from 1 January to 30 June 2020

	01.01. – 30.06.2020	01.01. – 30.06.2019
	EURk	EURk
Revenue	341,563	322,973
Other own work capitalised	110	44
Other operating income	2,865	3,022
Cost of materials	-223,336	-216,197
Personnel expenses	-39,695	-39,318
Depreciation and amortisation	-4,726	-3,955
Other operating expenses	-52,231	-44,788
Financial result	-1,256	-1,471
Profit before income taxes	23,294	20,310
Income taxes	-6,667	-5,063
Consolidated net profit	16,627	15,247
Thereof share of minority shareholders in consolidated net profit/loss	249	169
Thereof share of shareholders of Einhell Germany AG in consolidated net profit/loss	16,378	15,078

Consolidated statement of cash flows (IFRS) for the period from 1 January to 30 June 2020

in EURk	01.01. – 30.06.2020	01.01. – 30.06.2019
Cash flows from/used in operating activities		
Profit before taxes	23,294	20,310
+ Depreciation and amortisation of intangible assets and property, plant and equipment	4,726	3,955
- Interest income	-49	-91
+ Interest expenses	481	600
+/- Other non-cash expenses and income	944	848
Operating profit before changes in net working capital	29,396	25,622
+/- Decrease/increase in trade receivables	-52,164	-44,923
+/- Decrease/increase in inventories	43,061	36,080
+/- Decrease/increase in other assets	-769	7,057
+/- Decrease/increase in assets held for sale	2,256	0
+/- Increase/decrease in non-current liabilities	302	-1,573
+/- Increase/decrease in current liabilities	11,742	4,411
+/- Increase/decrease in trade payables	-27,066	-22,368
+/- Increase/decrease in liabilities in connection with assets held for sale	-79	0
Cash flows generated from operating activities	6,679	4,306
- Taxes paid	-4,201	-4,274
+ Interest received	48	93
- Interest paid	-337	-413
Net cash from/used in operating activities	2,189	-288
Cash flows from/used in investing activities		
- Payments to acquire assets	-4,989	-5,760
- Payments for acquisition of consolidated companies	0	0
+ Proceeds from disposal of assets	19	1
+/- Increase/decrease in goodwill	0	0
+ Proceeds from disposal of consolidated companies	0	0
- Payments for investments in financial assets	0	0
- Cash-outflow from changes to companies included in the consolidation	0	0
Net cash used in investing activities	-4,970	-5,759
Cash flows from/used in financing activities		
+/- Increase/decrease in financial liabilities	7,458	15,004
- Payments for acquisition of equity investments	0	0
+ Proceeds from non-controlling interest	0	0
- Dividend payments to shareholders of Einhell Germany AG	-5,158	0
- Dividend payments to non-controlling interest	0	-495
- Payment for redemption portion of lease liabilities	-2,463	-2,109
Net cash used in financing activities	-163	12,400
Changes to cash and cash equivalents due to currency exchange	-744	282
Net decrease/increase in cash and cash equivalents	-3,688	6,635
Cash and cash equivalents at beginning of reporting period	25,729	14,097
Cash and cash equivalents at end of reporting period	22,041	20,732

Consolidated statement of changes in equity (IFRS) for the period from 1 January to 30 June 2020

				Other reserves						
	Subscribed capital	Capital reserve	Retained earnings	Adjustment from currency translation	Financial assets available for sale	Remeasurement reserve pursuant to IAS 19	Derivative financial instruments	Equity of shareholders of Einhell Germany AG	Share of noncontrolling interest	Total equity
	EURk	EURk	EURk	EURk	EURk	EURk	EURk	EURk	EURk	EURk
1 January 2019 (*)	9.662	26.677	170.150	-12.851	28	-1.204	819	193.281	2.141	195.422
Consolidated net profit	-	-	15.078	-	-	-	-	15.078	169	15.247
Unrealised gains/losses	-	-	-	20	-	-	565	585	5	590
Dividends	-	-	-5.158	-	-	-	-	-5.158	-487	-5.645
Other changes	-	-	256	-	-	-	-	256	-23	233
30 June 2019	9.662	26.677	180.326	-12.831	28	-1.204	1.384	204.042	1.805	205.847
Consolidated net profit	-	-	9.238	-	-	-	-	9.238	92	9.330
Unrealised gains/losses	-	-	-	99	3	-599	236	-261	-	-261
Dividends	-	-	-	-	-	-	-	-	-100	-100
Other changes	-	-	1	-	-	-	-	1	55	56
31 December 2019	9.662	26.677	189.565	-12.732	31	-1.803	1.620	213.020	1.852	214.872
Consolidated net profit	-	-	16.378	-	-	-	-	16.378	249	16.627
Unrealised gains/losses	-	-	-	-2.864	-	-	-2.567	-5.431	-29	-5.460
Dividends	-	-	-5.158	-	-	-	-	-5.158	-	-5.158
Other changes	-	-	-1	-	-	-	-	-1	-	-1
30 June 2020	9.662	26.677	200.784	-15.596	31	-1.803	-947	218.808	2.072	220.880

*) In the course of the first-time application of IFRS 16, the adjustments required for previous years were made

Selected IFRS consolidated notes of Einhell Germany AG, Landau/Isar, for the period from 1 January to 30 June 2020

1. Principles and methods used in preparing the consolidated financial statements

1.1 Basis of consolidation

The consolidated financial statements comprise Einhell Germany AG and the companies it controls. IAS 27 defines control as the power to govern the financial and operating policies so as to obtain benefits from a company's activities. If the Group holds more than 50% of the voting rights of a company, either directly or indirectly, it is deemed to control such company, unless such assumption is refuted. Companies that are acquired or sold during the course of a financial year are included in the consolidated financial statements as from the date of acquisition until the date of sale.

In the period under review, Einhell Electro Machinery Technology Co., Ltd. was founded. Einhell Germany owns 100% of the shares in this company.

1.2 Accounting and valuation principles

The report as at 30 June 2020 applies the same accounting and valuation principles as were used in the annual financial statements 2019. The IFRS standards that have become mandatory as from 1 January 2020 are applied accordingly by the Einhell Group.

2. Notes to statement of financial position

2.1 Non-current assets

Intangible assets and property, plant and equipment are valued at acquisition or manufacturing cost. Intangible assets amount to EUR 17.5 million as at 30 June 2020, while property, plant and equipment amount to EUR 50.8 million and are recognised in the statement of financial position less accumulated depreciation. Scheduled depreciation and amortisation of intangible assets and property, plant and equipment amounted to EUR 4.7 million as at 30 June 2020.

2.2 Inventories

	June 2020	June 2019
	EURk	EURk
Raw materials and supplies (at acquisition cost)	370	436
Finished goods	127,778	152,772
Advance payments	403	463
Total	128,551	153,671

Inventories are valued at the lower of acquisition or manufacturing cost or net realisable value. Impairments amounted to EUR 1.1 million (previous year: EUR 1.6 million).

2.3 Cash and cash equivalents

Cash and cash equivalents include bank balances, cheques and cash in hand.

2.4 Dividend

A resolution was passed to pay a dividend of EUR 5,158,496.00 for financial year 2019. The distribution amount corresponds to a dividend of EUR 1.40 per preference share (previous year: EUR 1.40) and EUR 1.34 per ordinary share (previous year: EUR 1.34).

2.5 Provisions

Provisions total EUR 34,422 thousand. This includes non-current provisions of EUR 1,158 thousand. Provisions refer in particular to provisions for warranty.

2.6 Liabilities

Upon addition, liabilities are valued at fair value of the consideration received; subsequent valuation is performed at amortised cost. Liabilities in foreign currencies are recognised at the reporting date rate or hedging rate as at the reporting date.

3. Notes to the consolidated statement of income

Other operating expenses

Other operating expenses amount to EUR 52,231 thousand as at 30 June 2020. This pertains primarily to expenses for the shipping of goods, warranty, customer services, impairment, advertising and product design.

4. Segment reporting

The identification of reportable operating segments pursuant to IFRS 8 is based on the so-called management approach concept. The division of the Einhell Group into regions reflects the Group's internal management and reporting structures. The regions are: "D/A/CH region", "Western Europe", "Eastern Europe", "Overseas" and "Other countries".

Income and expenses that cannot be directly allocated to the individual regions and consolidation effects are shown in the reconciliation item.

4.1 Segment reporting by region

June 2020 in EURk	D/A/CH region	Western Europe	Eastern Europe	Overseas	Other countries	Reconciliation	Group
Revenue by invoicing party	155,671	66,577	34,158	66,914	18,243	0	341,563
Revenue by invoice recipient	157,392	75,809	36,086	71,067	1,209	0	341,563
EBT	11,130	3,269	2,658	5,863	1,598	-1,224	23,294
Financial result	503	-441	-527	-547	-423	179	-1,256
Interest income	1,454	1	22	63	132	-1,623	49
Interest expenses	-376	-441	-533	-479	-284	1,632	-481
Depreciation and amortisation	1,495	845	507	818	1,061	0	4,726
Non-cash income	0	0	-43	-1	0	-169	-213
Non-cash expenses	19	0	15	257	0	866	1,157
Non-current assets excl. deferred tax assets	34,651	7,436	10,608	11,345	6,676	0	70,716
Inventories	61,172	31,676	18,187	25,342	560	-8,386	128,551
Depreciation of inventories	600	211	225	110	0	0	1,146

Financial report as at 30 June 2020

June 2019 in EURk	D/A/CH region	Western Europe	Eastern Europe	Overseas	Other countries	Reconciliation	Group
Revenue by invoicing party	137,673	66,536	33,429	59,051	26,284	0	322,973
Revenue by invoice recipient	129,670	84,465	39,001	64,917	4,920	0	322,973
EBT	8,620	3,312	2,373	4,855	610	540	20,310
Financial result	438	-524	-696	-817	151	-23	-1,471
Interest income	1,761	1	53	134	171	-2,029	91
Interest expenses	-446	-525	-751	-808	-117	2,047	-600
Depreciation and amortisation	1,348	443	501	844	819	0	3,955
Non-cash income	-17	0	-6	0	0	-52	-75
Non-cash expenses	0	3	0	609	0	311	923
Non-current assets excl. deferred tax assets	26,047	4,572	10,967	12,361	3,870	0	57,817
Inventories	70,524	35,627	25,235	29,030	1,149	-7,894	153,671
Depreciation of inventories	746	414	210	202	0	0	1,572

5. Other notes

5.1. Related party disclosures

Thannhuber AG is the controlling shareholder of Einhell Germany AG. Philipp Thannhuber and Dr Markus Thannhuber (shareholders of Thannhuber AG) received remuneration for their activities as executive bodies of Einhell Germany AG in financial year 2020.

The value of transactions and balances outstanding in connection with Thannhuber AG and its related parties break down as follows:

in EURk	Value of transactions		Outstanding balances as of 30 June	
	06/2020	06/2019	2020	2019
Consulting (*)	13	0	0	0

(*) The Group used consulting services provided by Josef Thannhuber, Chairman of the Supervisory Board of Thannhuber AG, for project planning and implementation of construction and property projects. The fee invoiced for these services corresponded to normal market rates. The invoice amounts were due in line with normal payment terms.

iSC GmbH shipped a small amount of palleted goods on behalf of Comedes GmbH. The revenue from these shipping and sales services is immaterial and is based on the arm's length principle.

Einhell Germany AG and its subsidiaries did not carry out any legal transactions with Thannhuber AG and its related parties during financial year 2020 that would have been to the disadvantage of Einhell Germany AG or its subsidiaries. Nor did Thannhuber AG take or fail to take any measures that would have negatively affected Einhell Germany AG or its subsidiaries.

6. Statement of responsibility

To the best of our knowledge, we assure that the interim consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group and that the interim Group management report accurately reflects the actual development and performance of the business and the position of the Group and describes the principal risks and opportunities associated with the

Group's expected development in the remaining months of the financial year.

Landau a. d. Isar, 20 August 2020

Einhell Germany AG
The Board of Directors

Andreas Kroiss
Jan Teichert
Dr Markus Thannhuber
Dr Christoph Urban



BMW i Motorsport
Official Main Partner



Einhell Germany AG
Wiesenweg 22
D-94405 Landau a. d. Isar

Phone (09951) 942-0
Fax (09951) 1702

investor-relations@einhell.com
www.einhell.com